

REFERENCE TITLE: **hazardous substances; insurance.**

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1322

Introduced by
Senator Burton Cahill

AN ACT

AMENDING TITLE 26, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 26-347.01; RELATING TO HAZARDOUS SUBSTANCES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 26, chapter 2, article 3, Arizona Revised Statutes,
3 is amended by adding section 26-347.01, to read:

4 26-347.01. Facilities with a potential to emit hazardous or
5 extremely hazardous substances: insurance
6 required: definition

7 A. A PERSON WHO IS REQUIRED TO FILE A RISK MANAGEMENT PLAN PURSUANT TO
8 SECTION 112(r) OF THE CLEAN AIR ACT SHALL PURCHASE A GENERAL LIABILITY
9 INSURANCE POLICY THAT PROTECTS AGAINST THE RISK OF EMITTING A HAZARDOUS OR
10 EXTREMELY HAZARDOUS SUBSTANCE.

11 B. THE POLICY OF INSURANCE SHALL INCLUDE COVERAGE TO PROVIDE FOR:

12 1. CIVIL DAMAGES FROM A CATASTROPHIC RELEASE OF A HAZARDOUS OR
13 EXTREMELY HAZARDOUS SUBSTANCE.

14 2. PROPERTY DAMAGE TO ADJACENT BUILDINGS AND BUSINESSES THAT RESULTS
15 FROM A CATASTROPHIC RELEASE OF A HAZARDOUS OR EXTREMELY HAZARDOUS SUBSTANCE.

16 C. THE DIRECTOR SHALL PRESCRIBE THE AMOUNT OF COVERAGE REQUIRED
17 PURSUANT TO THIS SECTION BASED ON RISK FACTORS, INCLUDING:

18 1. THE TYPE OF HAZARDOUS OR EXTREMELY HAZARDOUS SUBSTANCE THAT MAY BE
19 RELEASED.

20 2. THE AMOUNT OF HAZARDOUS OR EXTREMELY HAZARDOUS SUBSTANCE THAT MAY
21 BE RELEASED AS A RESULT OF A CATASTROPHIC EVENT.

22 3. THE LOCATION OF THE FACILITY THAT HAS A RISK OF EMITTING A
23 HAZARDOUS OR EXTREMELY HAZARDOUS SUBSTANCE IN RELATION TO VULNERABLE AREAS
24 SUCH AS A DAY CARE CENTER, SCHOOL, HOSPITAL OR ELDER CARE CENTER.

25 D. THE DIRECTOR OR ANY APPROPRIATE LOCAL OFFICIAL MAY REQUEST PROOF OF
26 INSURANCE FROM A PERSON WHO IS SUBJECT TO THIS SECTION AT ANY TIME DURING
27 REGULAR BUSINESS HOURS. THE APPROPRIATE CITY OR COUNTY OFFICIAL SHALL
28 IMMEDIATELY BEGIN PROCEEDINGS TO REVOKE THE OCCUPANCY PERMIT OR THE
29 APPLICABLE ZONING DESIGNATION OF THE FACILITY IF THE PERSON FAILS TO PROVIDE
30 THE PROOF OF INSURANCE ON REQUEST.

31 E. FOR THE PURPOSES OF THIS SECTION, "CLEAN AIR ACT" HAS THE SAME
32 MEANING PRESCRIBED IN SECTION 49-401.01.

33 Sec. 2. Proof of insurance required

34 A person who is subject to section 26-347.01, Arizona Revised Statutes,
35 as added by this act, shall provide proof of insurance as prescribed by
36 section 26-347.01, Arizona Revised Statutes, as added by this act, to the
37 director of the division of emergency management or other appropriate local
38 official within one hundred eighty days after the effective date of this act.